

Instructor Guide

# *Money Smart*

Money Matters



NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS

# Table of Contents

## **Instructor Information ..... 1**

Before the Session.....	1
Materials and Equipment .....	1
Instructor Steps .....	2
Icons .....	3

## **Money Matters ..... 4**

Course Introduction .....	5
What Do You Know .....	7
Why Budget? .....	8
Income and Expenses.....	11
Budgeting Tools.....	24
Budgeting Considerations.....	29
Course Summary.....	32
End of Course Evaluation.....	33

## **Instructor Information**

### **Before the Session**

To properly present the *Money Matters* course, you should:

- Review all materials in the Instructor Guide and the Participant Take-Home Guide.
- Make copies of the Participant Take-Home Guide.
- Copy the slides (overheads) onto transparencies.
- When appropriate, prepare chart paper examples.
- Identify potential trouble spots in the exercises as well as hints for assisting participants.
- Select and prepare anecdotes from real-world experiences that can be used to illustrate special scenarios, generate discussions, and maintain participant interest.
- Prepare extra copies of the *Income and Expenses Worksheet*, the *Monthly Payment Schedule*, and the *Monthly Payment Calendar* from the Participant Take-Home Guide. Some participants might want to take extra copies home.

### **Material and Equipment**

- Transparency projector
- *Money Matters* transparencies
- Chart paper and easel
- Markers for chart paper and transparencies
- Name Tents
- Pencils or pens for each participant
- Credit Report Sample handouts
- *Income and Expenses Worksheet*, *Monthly Payment Schedule*, and *Monthly Payment Calendar* handouts
- Participant Take-Home Guides

## Instructor Steps

Step-by-step directions are provided for the instructor. The text below is an example of an instructor step:

Instructor Cue	Instructions
Slide 2	<ul style="list-style-type: none"><li>➤ Show Slide 2 (You Will Know).</li><li>➤ Review course objectives.</li></ul>

Generally, these steps enable the instructor to ask questions, provide explanations, show slides, hand out materials, and introduce exercises.

## Icons

Icons alert the instructor to discussion questions, exercises, transitions, and summaries. They appear in the left margin:



Ask questions or conduct a discussion.



Distribute a handout.



Give exercise information or record the results of a brainstorm.



Refer to activity material.



Indicate the beginning of an individual activity or exercise.



Indicate the beginning of a group activity or exercise.



Summarize an activity or check for understanding.



Summarize the course.



Transition to the next topic.

Thumbnail-sized replicas of the slides have been placed in the left column.

# Money Matters

## Time



60 Minutes


## Objectives

By the end of this course, participants will be able to prepare a personal budget. To achieve this objective, the participants will be able to:



- Describe the concept of budgeting
- Recognize the benefits of budgeting
- Use a budgeting tool

## Course Instruction

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Before the start of the class, hand out the following materials to each participant:               <ul style="list-style-type: none"> <li>• Participant Take-Home Guide</li> <li>• Pencil or pen</li> <li>• Name tent</li> </ul> </li> </ul>
Slide 1	<ul style="list-style-type: none"> <li>➤ Show Slide 1 (Money Matters).</li> <li>➤ <b>“Welcome to <i>Money Matters!</i>”</b> Introduce yourself (e.g., your name and experience as an instructor or credit union employee).</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“How many of you have a budget?”</b></li> <li>➤ Have participants respond by a show of hands.</li> <li>➤ Ask: <b>“How has it worked for you?”</b></li> </ul>
Slide 2	<ul style="list-style-type: none"> <li>➤ Show Slide 2 (You Will Know).</li> <li>➤ Explain: <b>“By the end of the course, you will be able to prepare a personal budget. You will know:</b> <ul style="list-style-type: none"> <li>• <b>The concept of budgeting</b></li> <li>• <b>The benefits of budgeting, and</b></li> <li>• <b>How to use a budgeting tool.”</b></li> </ul> </li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Show the Participant Take-Home Guide to the class.</li> <li>➤ Explain: <b>“Each of you has a copy of the <i>Money Matters</i> Take-Home Guide, which contains highlights of the course. We will be using this throughout the course. Take it home and use it as a reference.”</b></li> </ul>


## What Do You Know

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Take out the last page of your Take-Home Guide, the What Do You Know form.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“The What Do You Know form lets you measure how much you have learned from the course.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Read the instructions and walk the participants through each statement.</li> <li>➤ Explain: <b>“Complete the Before-the-Course column only. You will complete the other column at the end of the course.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Provide enough time for participants to complete the What Do You Know form. (1-2 minutes)</li> <li>➤ Have participants put these forms aside until the end of the course when they will complete the After-the-Course column.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Transition: <b>“Now, let’s get started with budgeting.”</b></li> </ul>


## Why Budget?

Instructor Cue	Instructions
Slide 3	<ul style="list-style-type: none"> <li>➤ Show Slide 3 (Budget).</li> <li>➤ Explain: <b>“A good way to start taking control of your financial situation is to develop a savings and spending plan. This is called a budget.”</b></li> </ul>
Slide 4	<ul style="list-style-type: none"> <li>➤ Show Slide 4 (Benefits of Budgeting).</li> <li>➤ Explain: <b>“Taking control of your financial situation helps you:</b> <ul style="list-style-type: none"> <li>• <b>Reduce the anxiety of not knowing whether you have enough money to pay your bills when they are due, and</b></li> <li>• <b>Gives you a sense of control over money, rather than letting money have control over you.</b></li> </ul> </li> <li>➤ <b>Budgeting will also help you build assets. Building assets improves the quality of life for you and your family.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Budgeting is about choices—choosing how to use your money.</b></li> <li>➤ <b>Knowing what your income and expenses are every month will help you take control of your financial situation.”</b></li> </ul>

Instructor Cue	Instructions
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Do you know where your money goes each month?”</b></li> <li>➤ Acknowledge participants’ response.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“It is common for people to spend all the money they make and not have anything left over to save for their goals. Many people say they don’t have anything to show for their hard work at the end of the month.”</b></li> </ul>
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“How often have you taken \$20 out of the ATM and, at the end of the day, not known where it all went?”</b></li> <li>➤ Acknowledge participants’ response.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“If you want to be in control of your money, it is critical you understand where your money goes. One way to do this is to keep a daily spending diary to record everything you spend.</b></li> <li>➤ <b>You can use this information to track your spending over a period of time.”</b></li> </ul>
Slide 5	<ul style="list-style-type: none"> <li>➤ Show Slide 5 (Daily Spending Diary).</li> <li>➤ Explain: <b>“Let’s take a moment to write down how much money we have already spent today.”</b></li> <li>➤ <b>Instructor Note:</b> On the slide, write down how much money you have spent today or for the whole week. Write down items such as meals, gasoline, subway fares, snacks, etc.</li> </ul>

Instructor Cue	Instructions
	➤ Transition: <b>“Now let’s take the next step toward preparing a budget.”</b>

## Income and Expenses

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ State: “Turn to the <i>Income and Expenses Worksheet</i> on page 6 of your Take-Home Guide.</li> <li>➤ Explain: “This worksheet will help you get a picture of your income and expenses each month.”</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: “Here are some income sources you would want to include:               <ul style="list-style-type: none"> <li>• Wages</li> <li>• Public assistance—this might include Temporary Assistance to Needy Families, or TANF, and food stamps</li> </ul> <p><b>Instructor Note:</b> The TANF program might have different names in different states.</p> <ul style="list-style-type: none"> <li>• Child support</li> <li>• Alimony</li> <li>• Dividends from credit union share accounts</li> <li>• Dividends from stocks</li> <li>• Interest from bank accounts, and</li> <li>• Social Security.”</li> </ul> </li> </ul>

Instructor Cue	Instructions
Slide 6	<ul style="list-style-type: none"> <li>➤ Show Slide 6 (Income and Expenses Worksheet).</li> <li>➤ Explain: <b>“We are going to complete the <i>Income and Expenses Worksheet</i> together.</b></li> <li>➤ <b>Please follow along with me as I show you how to complete the worksheet.</b></li> <li>➤ <b>You can either fill in the information from our example, or fill in your own information as we go along.</b></li> <li>➤ <b>You probably don’t have records of your income and expenses with you in class today. You can just estimate and complete as much of the worksheet as you can. You can complete the rest of the worksheet at home.</b></li> <li>➤ <b>First, we will list monthly income sources and income amounts in the left column.”</b></li> </ul>
	<p><b>Instructor Note:</b> As you explain the worksheet, point out the section on the slide.</p>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“For this example, our monthly net wages or take-home pay is \$1,000. We pay for health care insurance through work. It is deducted from our gross wages.”</b></li> <li>➤ On the slide, point out the \$1,000 in the “Wages” section.</li> </ul>
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What is the difference between gross and net income?”</b></li> <li>➤ Acknowledge participants’ responses.</li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Gross income is your total income without deductions. Net income is gross income less Social Security and other taxes. This is the amount you actually take home.”</b></li> </ul>
<p data-bbox="367 506 418 600">?</p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Who knows why so much money is taken out of your paycheck for Social Security?”</b></li> <li>➤ Acknowledge participants’ responses.</li> </ul>
<p data-bbox="347 674 438 705">Slide 7</p>	<ul style="list-style-type: none"> <li>➤ Show Slide 7 (Social Security Benefits).</li> <li>➤ Explain: <b>“Social Security is a potentially valuable insurance plan. On some pay stubs, this is called FICA, which stands for Federal Insurance Contributions Act.”</b></li> </ul>

Instructor Cue	Instructions
	<p>➤ Explain: <b>“Social Security benefits include:</b></p> <ul style="list-style-type: none"> <li>• <b>Retirement coverage—benefits paid every month to eligible retired workers, as early as age 62</b></li> <li>• <b>Disability coverage—benefits paid every month to eligible workers of all ages who have a severe disability</b></li> <li>• <b>Family coverage—benefits paid every month to the spouses and children of eligible retired and disabled workers</b></li> <li>• <b>Survivors coverage—benefits paid every month to the eligible widow or widower and children of a deceased worker, and</b></li> <li>• <b>Medicare benefits—help with hospital bills, as well as limited coverage of skilled nursing facility stays, hospice care, and other medical services at age 65, or younger if you become disabled.</b></li> </ul> <p>➤ <b>If you are 25 or older and are not already receiving Social Security benefits, you will receive a Social Security statement just before your birthday every year. You can also call the phone number listed on page 14 of your Take-Home Guide to request a copy of your statement.</b></p> <p>➤ <b>The statement is a record of earnings you have paid to Social Security taxes during your working years.”</b></p>




Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“The statement provides estimates of the monthly Social Security retirement, disability, and survivor benefits you and your family could be eligible to receive.”</b></li> </ul>
Slide 6	<ul style="list-style-type: none"> <li>➤ Show Slide 6 (Income and Expenses Worksheet).</li> <li>➤ Explain: <b>“Let’s go back to our example. We are receiving \$300 in child support payments each month.”</b></li> <li>➤ On the slide, point out the \$300 in the “Child Support/Alimony” section.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“As you can see, there are spaces on your worksheet for other income sources that might fit your personal situation.</b></li> <li>➤ <b>Be sure to consider whether income sources are continuous or might stop in the near future. For example, if you receive unemployment benefits, keep in mind you will eventually stop receiving the benefits.</b></li> <li>➤ <b>You also might make adjustments for income you receive on a yearly or quarterly basis, such as tax refunds or bonus checks.</b></li> <li>➤ <b>Let’s total the income column.”</b></li> <li>➤ Point out \$1,300 in the space next to ‘Total Income’ on the worksheet slide.</li> <li>➤ Explain: <b>“This number represents the total amount of income you receive in a month.”</b></li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Next we will list monthly expenses in the right column. We will start by listing fixed expenses. Fixed expenses are items you have little or no control over. You will pay a fixed amount for these expenses each month.”</b></li> <li>➤ Read the list of fixed expenses. <ul style="list-style-type: none"> <li>• Rent/Mortgage</li> <li>• Property taxes/Insurance</li> <li>• Trash collection</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“For this example, we pay \$500 each month for rent.”</b></li> </ul> <p><b>Instructor Note:</b> For this example we are assuming the rent includes utilities.</p> <ul style="list-style-type: none"> <li>➤ On the slide, point out \$500 in the “Rent/Mortgage” section.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“The next group of expenses on the worksheet are expenses you have some control over before the initial agreement. They become fixed expenses after you have signed a contract. You should shop for the best value before committing to the payments.”</b></li> <li>➤ Read the list of fixed expenses. <ul style="list-style-type: none"> <li>• Car payment</li> <li>• Car insurance</li> <li>• Other loan payments</li> <li>• Health insurance</li> <li>• Day care or Elder care</li> </ul> </li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“We have a monthly payment of \$50 for two credit card bills with \$25 minimum payments each.”</b></li> <li>➤ On the slide, point to the \$50 in the “Loan pmt.” section.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“We pay \$250 a month for child care.”</b></li> <li>➤ On the slide, point to the \$250 in the “child care” section.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“The next group of expenses on the worksheet are flexible because you can exercise some control over their amount.</b></li> <li>➤ <b>Before I read the entire list, you might have noticed that savings is listed as an expense. This is because we want you to get in the habit of paying yourself first. You can do this by setting aside some money from each paycheck.</b></li> <li>➤ <b>As I read through the list, think about your needs versus your wants and how you might control the cost of these expenses.”</b></li> </ul>



Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Read the list of flexible expenses.               <ul style="list-style-type: none"> <li>• Savings (this is important—pay yourself first)</li> <li>• Gas or Oil (hints for controlling costs include conserving energy)</li> <li>• Electricity (conserve energy)</li> <li>• Water (conserve water)</li> <li>• Telephone (reduce long distance charges, eliminate extra services, such as caller ID; eliminate cell phones and pager)</li> <li>• Food (shop for grocery store sale items)</li> <li>• Transportation or Gas (carpool, get a monthly transit pass instead of a daily one)</li> <li>• Car maintenance (regular maintenance prevents more severe problems)</li> <li>• Education (your employer might have a tuition assistance program)</li> <li>• Personal expenses (this may include clothing, hairdresser, barber, gifts, entertainment, restaurant meals)</li> <li>• Other (you should make notes on your worksheet, so you remember what your ‘other’ expenses are)</li> </ul> </li> </ul>
<p style="font-size: 2em;">?</p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What are some ways you could control the costs of these expenses?”</b></li> <li>➤ Acknowledge participants’ responses.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Point to each section on the slide as you read through the examples.</li> <li>➤ Explain: <b>“For our example, we pay about \$25 for our telephone bill.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“After keeping a spending diary for a month, we found that we spend about \$250 a month for food.”</b></li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“We spend about \$50 a month for transportation costs including bus and train fares.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“After keeping a spending diary for a month, we found that we spent \$50 last month for personal expenses.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“As you can see, we did not fill out each space on the worksheet in your guide. For this example we are using estimates so you can get comfortable with using the worksheet. When you use this worksheet at home, you should try to include all your expenses.</b></li> <li>➤ <b>Remember you might need to plan for expenses you have to pay quarterly or annually.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Let’s total the expenses column.</b></li> <li>➤ <b>\$1,200 represents your total expenses each month.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ State: <b>“Compare the income total and the expense total.”</b></li> <li>➤ Explain: <b>“Total income equals \$1,300. Total expenses equal \$1,200.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Offer extra copies of the worksheet if participants would like to use it at home.</li> <li>➤ Guide a brief discussion. Ask for volunteers to share thoughts about the worksheet. What difficulty, if any, did they have? How might they modify the worksheet to make it more useful for their personal situation?</li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“For our example, we had more income than expenses, but what should you do if your expenses are more than your income?”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Write participants’ responses on chart paper.</li> <li>➤ Guide a discussion about ways to increase income or decrease expenses.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Turn to <i>Tips to Decrease Spending</i> on page 7 of your Take-Home Guide.”</b></li> </ul>


Instructor Cue	Instructions
	<p>➤ Read through the tips that participants have not yet mentioned.</p> <ul style="list-style-type: none"> <li>• Carry only small amounts of cash in your wallet, so you won't spend it.</li> <li>• Use direct deposit. You will be less likely to spend money if it goes straight into your account.</li> <li>• Control your use of credit cards.</li> <li>• Don't go shopping just for fun.</li> <li>• Take your written savings goals with you as a reminder.</li> <li>• Buy only what you need—don't buy things just because they are on sale.</li> <li>• Use coupons to save money.</li> <li>• Use a grocery-shopping list to prevent impulse buying.</li> <li>• Take your lunch to work instead of eating out.</li> <li>• Shop around to get the best deal for big-ticket items like cars and appliances.</li> <li>• Paying your bills on time to avoid late fees, extra finance charges, utilities being turned off, eviction, repossessions, and the costs of a bad credit rating.</li> </ul>
	<p>➤ Explain: <b>“Decreasing spending increases the amount of money you have left each month. This is also referred to as increasing your cash flow.”</b></p> <p>➤ <b>Besides decreasing your spending and obvious ways to increase your income, like getting a second job, there are some options for increasing your income you might not have considered.”</b></p>

Instructor Cue	Instructions
<p><b>?</b></p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Can you qualify for an Earned Income Tax Credit, or EITC? Turn to <i>Increase Your Income</i> on page 8 of your Take-Home Guide.”</b></li>   <li>➤ Explain: <b>“The EITC is a refundable federal income tax credit for people who work but do not earn high incomes. If you qualify, it reduces the amount of tax you owe, and it may give you a refund. You may even be eligible for an advance EITC, which allows you to receive part of the credit in each paycheck during the year.</b></li>   <li>➤ <b>The IRS adjusts income eligibility each year. Receipt of an EITC does not affect eligibility for TANF, Medicaid, supplemental security income, or SSI, food stamps, or housing assistance.</b></li>   <li>➤ <b>If you do qualify for a tax refund, be careful of refund anticipation loans. These types of loans are very expensive. Plus, if you do not get the refund you expected, you will still be responsible for paying off the entire amount of the loan.”</b></li> </ul>




Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: “See the <i>Increasing Your Income</i> section of the Take-Home Guide on page 8 and 9, for additional information about EITC and other tax credit programs.</li> <li>➤ To get help with tax credits or other tax questions, you can contact the Volunteer Income Tax Assistance, or VITA, program. VITA offers free tax help to people who cannot afford paid professional help.</li> <li>➤ To find the location of the VITA site in your area, call your local IRS office and ask to speak to the Taxpayer Education Coordinator, or call IRS assistance at the number listed on page 8 of your Take-Home Guide.</li> <li>➤ When talking with someone from a government agency, remember to write down their name or identification number.”</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Transition: “Now that you know what your income and expenses are, let’s talk about some tools to help you keep track of them.”</li> </ul>



## Budgeting Tools

Instructor Cue	Instructions
	<p>➤ Explain: <b>“To successfully use any budgeting tool, you must keep accurate records. The budgeting tools we are going to discuss will help you keep spending and savings records.”</b></p>
Slide 8	<p>➤ Show Slide 8 (Recordkeeping Tips).</p> <p>➤ Explain: <b>“Turn to <i>Recordkeeping</i> Tips on page 10 of your Take-Home Guide. Here are a few tips:</b></p> <ul style="list-style-type: none"> <li>• <b>Keep records in a safe place in your home or in a safe deposit box.</b></li> <li>• <b>Organize your files so it is easier for you to find information about your earnings and spending and to update important financial information.</b></li> <li>• <b>Keep your tax records for at least 3 years.</b></li> <li>• <b>Send in your bill payments a few days before they are due to avoid late fees.”</b></li> </ul>
Slide 9	<p>➤ Show Slide 9 (Monthly Payment Schedule).</p> <p>➤ Explain: <b>“Turning to <i>Budgeting Tools</i> on page 11 of your Take-Home Guide. This worksheet will help you keep a record of your income and bill payments.”</b></p> <p><b>Instructor Note:</b> You should prepare several extra copies of the blank worksheet for participants.</p> <p>➤ Explain: <b>“We are going to complete the <i>Monthly Payment Schedule</i> worksheet together. You can follow along using the blank worksheet in your guide. I have more blank worksheets if you want to take them home after class.”</b></p>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Look back at the <i>Income and Expenses Worksheet</i> you completed on page 6. We will need that information to complete the <i>Monthly Payment Schedule</i>.”</b></li> <li>➤ Show how to complete the <i>Monthly Payment Schedule</i> worksheet by pointing out the examples shown below.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Transfer your income sources and amounts from the <i>Income and Expenses Worksheet</i> into the Income column on the <i>Monthly Payment Schedule</i> worksheet. You might also want to record the date the income is expected.”</b></li> <li>➤ Point out “Wages \$1000 April 2” in the Income column of the slide.</li> <li>➤ Point out “Child support \$300 April 5” in the Income column of the slide.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Transfer your expenses, the date due, and amount due, into the appropriate columns or the worksheet. The ‘Paid’ column is for you to write the date when your payments have been made. You can use different colored ink for income and expenses.</b></li> <li>➤ <b>For this example, we sorted our payments by date.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Show the following examples in the appropriate columns of the worksheet slide. <ul style="list-style-type: none"> <li>• Savings, due April 2, \$25</li> <li>• Rent, due April 6, \$500</li> <li>• Telephone, due April 16, \$25</li> <li>• Credit card payments, due April 20, \$50</li> </ul> </li> </ul>

Instructor Cue	Instructions
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“How do you think you should record your food expenses on the worksheet?”</b></li> <li>➤ Explain: <b>“You might want to estimate food and other flexible monthly costs at the end of each month. You can use the spending diary we discussed earlier to help you estimate these costs.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Point out the following examples in the appropriate columns of the worksheet slide. <ul style="list-style-type: none"> <li>• Food, \$250 (April 20)</li> <li>• Transportation costs (bus and train fares), \$50 (April 23)</li> <li>• Personal expenses, \$50 (April 27)</li> <li>• Child care, \$250 (April 28)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>➤ Demonstrate how to use the “Date Paid Column” by writing in dates for the first few bills. For example, you can write “April 1” for the rent, “April 10” for the telephone bill.</li> </ul>
Slide 10	<ul style="list-style-type: none"> <li>➤ Show Slide 10 (Monthly Payment Calendar).</li> <li>➤ Explain: <b>“Turn to the <i>Monthly Payment Calendar</i> on page 12 of the Take-Home Guide. The worksheet is another way to help you keep a record of your bill payments and due dates.”</b></li> </ul> <p><b>Instructor Note:</b> You should prepare several extra copies of the blank worksheet for participants.</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“We are going to complete the <i>Monthly Payment Calendar</i> worksheet together. Follow along using the blank worksheet in your Take-Home Guide. I can provide additional blank worksheets to you after class, but you can use any calendar you have at home.”</b></li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“We will transfer the same income and expenses onto the <i>Monthly Payment Calendar</i> worksheet.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Show how to complete the worksheet by pointing out the income and expense amounts on the appropriate dates of the calendar. Tell participants they can use different colors for income and expenses.</li> <li>➤ Demonstrate how you can check off each bill as it is paid.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Do you have any questions about either of these budgeting tools?”</b></li> <li>➤ Answer any questions.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Now you have a chance to practice using one of the budgeting tools we have just demonstrated.</b></li> <li>➤ <b>Select the budgeting tool you feel most comfortable with. Transfer the information from your personal <i>Income and Expenses Worksheet</i> to the budgeting tool you have selected.”</b></li> <li>➤ Circulate around the room to provide assistance and answer questions as necessary.</li> <li>➤ Allow time for participants to complete the worksheet. (5-8 minutes)</li> <li>➤ Guide a brief discussion. Ask for volunteers to share thoughts about the worksheet. What difficulty, if any, did they have? How might they modify the worksheet to make it more useful for their personal situation?</li> </ul>

Instructor Cue	Instructions
	<p>➤ Explain: <b>“See the <i>Other Budgeting Tools</i> section on page 13 in your Take-Home Guide for additional information about budgeting. There are a variety of budgeting tools you can use. You should select the one you are most comfortable with.”</b></p>
	<p>➤ Transition: <b>“You have now practiced using a budgeting tool. There are just a few other things I want to discuss about budgeting.”</b></p>




## Budgeting Considerations

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“If your budget shows you have more expenses than income, there are ways to get out of trouble. Remember, everyone has different priorities. You will have to make the decisions that are right for you.”</b></li> </ul>
<p style="font-size: 2em;">?</p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What payments do you think you should make first if you don’t have enough money to pay all of your bills?”</b></li> <li>➤ Acknowledge participants’ responses.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Generally speaking, it is probably most important to pay off your necessary household expenses, such as rent or mortgage, utilities, and food, first. You need to pay your rent or mortgage to ensure you don’t get evicted or have your property foreclosed upon. Think about the health and safety of your family when making these types of decisions.</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Many utilities, such as the telephone company, electric company, and gas company, have programs to lower your bill if you qualify. If you think you need assistance, contact your utility company.”</b></li> </ul>



Instructor Cue	Instructions
Slide 11	<p>➤ Show Slide 11 (Loan Payment Decisions).</p> <p>➤ Explain: <b>“If you can pay your monthly household expenses, but are having trouble paying all your loans, consider:</b></p> <ul style="list-style-type: none"> <li>• <b>Paying off the loan with the highest interest rate first to save on interest payments.</b></li> <li>• <b>Talking to your creditor. Your creditor may be willing to reduce your payments or change the terms to accommodate your situation. Some creditors might offer extensions, smaller payments over a longer period of time. Some creditors might accept partial payments.</b></li> <li>• <b>Getting a debt consolidation loan. Be cautious of this option. If loan fees and interest rates are too high, it may not be the best option for you.</b></li> <li>• <b>Getting professional advice. Reputable credit counselors can help you deal with financial problems. Some organizations charge little or nothing for their services.</b></li> </ul> <p><b>Be cautious of companies that promise to fix your credit problems right away. Credit repair can be a long process that might take several years.”</b></p>
	<p>➤ Explain: <b>“Credit reports, bankruptcies, and credit counseling are covered in the <i>To Your Credit</i> course.”</b></p>

Instructor Cue	Instructions
	<p><b>Instructor Note:</b> If asked, you can briefly explain bankruptcy.</p> <p><b>Bankruptcy</b> is a legal proceeding that adjusts the debts of an individual that cannot meet their credit obligations.</p> <p>Although most debts are eliminated, certain back taxes, child support, alimony, maintenance, and student loans are not forgiven.</p> <p>With a bankruptcy on your credit report, you will pay higher rates and receive less favorable terms on loans in the future. Bankruptcy might make it difficult to get a mortgage, open an account, buy life insurance, or get a job. Creditors and employers can run a credit check to determine your history of past financial commitments.</p> <p>Bankruptcy is very serious and can stay on your credit record for 10 years. It should be used only as a last resort.</p>

## Course Summary

Instructor Cue	Instructions
	<p>➤ Summarize the course: <b>“Congratulations! You’ve completed the <i>Money Matters</i> course. We’ve covered a lot of information about budgeting including:</b></p> <ul style="list-style-type: none"> <li>• <b>The benefits of budgeting</b></li> <li>• <b>How to keep track of your income and expenses</b></li> <li>• <b>How to use a budgeting tool, and</b></li> <li>• <b>Other considerations to keep in mind when planning your budget.</b></li> </ul> <p>➤ <b>You should now be able to prepare a personal budget.”</b></p>
	<p>➤ Ask: <b>“Are there any questions?”</b></p> <p>➤ Answer questions as time permits.</p>
	<p>➤ Transition: <b>“To improve the course, we will need your feedback. The After-the-Course column and Course Evaluation will identify changes that can make this course better.”</b></p>

## End of Course Evaluation

Instructor Cue	Instructions
	<ul style="list-style-type: none"><li>➤ Explain: <b>“Please complete the After-the-Course column and the Course Evaluation. These forms are the last two pages of your Take-Home Guide.”</b></li></ul>
	<ul style="list-style-type: none"><li>➤ Allow time for participants to complete it.</li></ul>
	<ul style="list-style-type: none"><li>➤ Collect the What Do You Know and Course Evaluation forms.</li></ul>
	<ul style="list-style-type: none"><li>➤ Conclusion: <b>“Great job on completing the <i>Money Matters</i> course! Thank you for participating.”</b></li></ul>